



**CITY OF HOLLYWOOD, FLORIDA
DEPARTMENT OF PUBLIC WORKS
INTER-OFFICE MEMORANDUM**

DATE: July 21, 2016 **FILE:** PW-16-055

TO: Paul Bassar
Contracts Compliance Officer, Office of the City Manager

VIA: Sylvia Glazer 
Director, Public Works

FROM: Karen Arndt 
Assistant Director, Public Works

SUBJECT: Commingled Waste Disposal Services – BPO002496

ISSUE:

The Department of Public Works seeks authorization to increase the Waste Management Commingled Waste Disposal Services Blanket Purchase Order B002618 for the current and future terms of the contract.

EXPLANATION:

The Department of Public Works has a contract with Waste Management for the disposal of commingled waste. From 10/1/15 to 1/31/16 the Department of Public Works began experiencing higher than normal monthly commingled service tonnages resulting in increased monthly expenditures of \$8,000 average per month. The disposal quantities associated with illegal dumping compared to the previous year has substantially increased in incident and size. In addition, commingled disposal for the months of February, March and April, 2016 totaled \$61,000 higher when compared to the months of February, March and April, 2015 which has been attributed to the increased brush disposal due to the February 16th storm that resulted in extensive brush damage throughout the City.

Due to these fluctuations in tonnage experienced, the current term estimated cost of tonnage of \$682,500 was reached in May, 2016 and expenditures to date for the contract year July 15, 2015 to July 14, 2016 were authorized in the amount of \$708,660.34 which exceeded the estimated annual amount by \$26,160.34. Due to the increased tonnages for the aforementioned contract year, a total of \$152,854.29 of pending invoices for the months of May, June and July require Commission authorization prior to payment.

It is important to note that the automated GEMS financial software system does not currently provide for the adequate ability to track expenditures for Blanket Purchase

Orders (BPO). Reporting mechanisms require extensive manual calculations and separation which GEMS does not provide effective and timely information. Therefore, the Master Contract List (MCL) was created by the Contract Compliance Officer which provides for manual entry of invoice summary logs that are linked to Blanket Purchase Order balances. This will be an excellent tool to track these expenditures. This tool was neither available nor populated during the time period of this contract period, therefore no viable management tool existed at the time to adequately monitor expenditures. Staffing challenges also created a staff oversight backlog due to the sudden departure because of medical reasons of the Administrative Secretary who assists with the tracking of this contract. This position was vacated in April, however not re-staffed until July. These challenges caused a delay in seeking approval for the additional expenditures.

The MCL has been launched and was populated in late July, 2016. Public Works staff have been trained and are now able to utilize this important software tracking tool. This should assist with early detection of expenditure issues regarding BPOs.

The Department of Public Works requests that the City Commission authorize the expenditure of an additional \$179,500 to provide funding for services for the remainder of the initial five year term and future renewals. Funding for this increase is available in account number 45.5121.00000.534.004360 and 45.5121.00000.534.004361.

RECOMMENDATION:

The Department of Public Works recommends Procurement Services seek Commission approval for authorization to increase the Blanket Purchase order with Waste Management for Commingled Waste Disposal Services, B002618 an additional \$179,500 for the contract term 7/15/16 to 7/14/16 and all remaining terms. This request is fully funded utilizing accounts 45.5121.00000.534.004360 and 45.5121.00000.534.004361.

cc: Ralph Dierks, Procurement Manager
Linda Silvey, Budget and Procurement Services Technician